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CIA/OER/S 05852/74

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CONFIDENTIAL

25X1 [redacted]

22 January 1974

MEMORANDUM FOR: Mr. John Johnson
Department of the Treasury

SUBJECT : Brazilian Credits to Foreign Countries [redacted] 25X1

The attached table contains the subject information you requested. In addition to the credits listed, Brazil also agreed in principle in December 1972 to lend funds to the Andean Pact (CAP). Financing includes: (a) a $1 million concessional loan for preinvestment studies in the Andean Pact countries to be repaid over 20 years, after five year's grace, at 4%; (2) a $50,000 "conditional repayment loan" for project studies in Bolivia and Ecuador; (3) a $5 million partially untied credit, repayable over 10 years, after 3 year's grace, at 6.5%; (4) a $250,000 tied technical assistance grant. Brazil also reportedly has granted a $3 million credit to Guyana and has offered a credit of $3 million to Ecuador.

[redacted] 25X1

Chief
Latin America Branch

Attachment:
As stated

Distribution: (S5852)
Orig. & 1 - Addressee
1 - D/OER
1 - SA/ER
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1 - St/P
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OER/D/LA [redacted] (22 Jan 74)

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Country	Date	Credit Extended (million US$)	Credit Used (million US$)	Terms	Purpose	Comments
Chile	1968	6.0	0	Medium terms	Untied	This loan has been renewed annually but has yet to be used. It may be included in a recent $50 million loan.
	March 1972	16.2	16.0	9 years; 7%-8½%	1,000 Mercedes buses	
		3.6	3.0	9 years; 7%		
	March 1972	10.0	6.0	10% down; 3½-9 years at 7%	Vehicles, capital goods, etc.	
	June 1972	35.0	35.0	180 day credits from commercial banks	Food and raw materials	
	Late 1972	22.0	22.0	NA	Mostly Brazilian goods	Not utilized until late 1973.
		4.0	4.0	NA	Medical supplies	
	January 1974	50.0	0	8-10 years at commercial rates (provisional)	Untied, but purchase of Brazilian goods expected	This loan is substantially lower than an agreement in October, 1973 of about $200 million. No further loans to Chile are expected soon.

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Brazilian Credits to Foreign Countries
(Continued)

Country	Date	Credits Extended (million US$)	Credits Used (million US$)	Terms	Purpose	Comments
Paraguay	June 1972	10.0	10.0	N.A.	Brazilian agricultural and industrial machinery	
	October 1972	3.0	3.0	N.A.	Brazilian industrial goods	
	April 1973	50.0	0	60 years; 6%	Itaipu hydroelectric power project	This loan will not be effective until construction begi
Bolivia	June 1972	5.0	5.0	2 years grace, 10 years at 7%	Brazilian road equipment	
	Late 1972	1.5	1.5	N.A.	Housing construction	
Uruguay	1970	10.0	10.0	N.A.	Brazilian consumer goods and primary products	
	1971	7.5	7.5	N.A.	" " "	
	1972	5.0	5.0	N.A.	" " "	
	Late 1972	5.0	5.0	N.A.	Brazilian capital goods	

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Brazilian Credits to Foreign Countries
(Continued)

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ntry	Date	Credits Extended (million US$)	Credits Used (million US$)	Terms	Purpose	Comments
guay	October 1973	up to 75.0	55.0	1 year grace, amortization of debts in installments through 1977	1973 trade deficit of $17.5 million 1974 trade deficit of $20 million Past debts totalling $39 million	Rescheduling of debts to Brazil
caragua	February 1973	2.0	2.0	2 years grace; 6 years at 7%	N.A.	
iti	November 1972	3.0	3.0	N.A.	Brazilian vehicles, consumer and capital goods	

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